

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM CHECK SURVEY

This report is authorized by law [12 U.S.C. §5015]. Your voluntary cooperation in submitting this report is needed to make the results comprehensive, accurate, and timely. The Federal Reserve may not conduct or sponsor, and an organization is not required to respond

to, a collection of information unless it displays a currently valid OMB control number. The Federal Reserve System regards the individual bank information provided by each respondent as confidential.

Public reporting burden for this collection of information is estimated to average 10 hours per response, including the time to gather and maintain data in the required form, to review the instructions and to complete the information collection. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to: Secretary, Board of Governors of the Federal Reserve System, 20th and C Streets, N.W., Washington, D.C. 20551; and to the Office of Management and Budget, Paperwork Reduction Project (7100-0279), Washington, D.C. 20503.

You are encouraged to complete the survey by visiting [www.federalreserve.gov/\[to be provided\]](http://www.federalreserve.gov/[to be provided]). Please use the user ID and password provided in the cover letter to access the survey.

Alternatively, you may complete this form and fax it to the Board of Governors of the Federal Reserve System at (866) 359-6619. Please include the name and phone number of a person that we can contact should there be questions about your responses.

All responses are requested by May 1, 2006. Thank you for your time and cooperation.

Survey

I. Bank information		
Name:		
City:	State:	Zip code:
Contact name:	Phone number: ()	
Email:		

The Board expects that you are answering this survey based solely on information for your chartered institution. In order to ensure accurate representation, we need to verify which institutions are covered by your response. Please check here if you know that your answers to the survey questions encompass other chartered institutions, such as affiliates or subsidiaries. ☐

In such cases, please indicate below which other institutions are included in your response.

Charter 2 _____
Charter 3 _____
Charter 4 _____
Charter 5 _____

II. Check losses

Reporting estimated data

If possible, provide a precise response (the actual measured amount) to each of the following questions. If you are unable to give a precise response—for example, if your institution does not routinely maintain statistics in the same categories or in the same detail requested on the survey form—we encourage you to provide an estimate. Please check the estimate box (Est. ☐) if your response is an estimate.

Please leave no item blank. There are two possible ways to answer a survey question.

Enter a value if you can provide the actual value or an estimate of the data element for your institution (enter 0 if the value is zero). Please round all percentages to the nearest whole percent.

Enter DK (don't know) if you cannot provide the actual value or an estimate but your institution has non-zero volume of the type requested. Please do not enter NA.

2.1 Specify the dollar amount of your check losses and the number of cases associated with those losses that were incurred during calendar year 2005 both as the **bank of first deposit** and as the **paying bank**. Include the amount of the loss but no other costs associated with the loss. Include losses before any recoveries associated with the cases identified with those losses. Do not include losses associated with checks converted to ACH payments (for example, ARC payments).

	Dollar amount of loss(\$)	Number of cases
Total check losses (sum of (i) and (ii) below)	\$ _____ Est. <input type="checkbox"/>	_____ Est. <input type="checkbox"/>
(i) As bank of first deposit	\$ _____ Est. <input type="checkbox"/>	_____ Est. <input type="checkbox"/>
(A) Next-day availability checks	_____ Est. <input type="checkbox"/>	_____ Est. <input type="checkbox"/>
(B) Local checks	_____ Est. <input type="checkbox"/>	_____ Est. <input type="checkbox"/>
(C) Nonlocal checks	_____ Est. <input type="checkbox"/>	_____ Est. <input type="checkbox"/>
(ii) As paying bank	\$ _____ Est. <input type="checkbox"/>	_____ Est. <input type="checkbox"/>

2.2 Specify your check loss recoveries during calendar year 2005. (Recoveries are losses originally written off by your bank but subsequently recouped. Recoveries may correspond to check losses incurred in 2005 or earlier years.)

	Dollar amount of recoveries	Number of cases
Total recoveries	\$ _____ Est. <input type="checkbox"/>	_____ Est. <input type="checkbox"/>

2.3 Did your bank experience a greater, a smaller, or about the same dollar amount of check losses in 2005 compared with 2004? Please provide the percentage change.

Note: calculate losses before recoveries associated with the cases identified.

- ☐ Greater losses than the previous year
- ☐ Smaller losses than the previous year
- ☐ Same losses as the previous year
- ☐ Don't Know

Percentage change in dollar amount of check losses _____(%) Est. ☐

III. Volume

Reporting estimated data

If possible, provide a precise response (the actual measured amount) to each of the following questions. If you are unable to give a precise response—for example, if your institution does not routinely maintain statistics in the same categories or in the same detail requested on the survey form—we encourage you to provide an estimate. Please check the estimate box (Est. ☐) if your response is an estimate.

Please leave no item blank. There are two possible ways to answer a survey question.

Enter a value if you can provide the actual value or an estimate of the data element for your institution (enter 0 if the value is zero). Please round all percentages to the nearest whole percent.

Enter DK (don't know) if you cannot provide the actual value or an estimate but your institution has non-zero volume of the type requested. Please do not enter NA.

3.1 Provide the dollar amount and number of all checks presented to your bank as **paying bank** for the time period March 1, 2006, through March 31, 2006. Include inclearings and on-us checks. Include checks that your bank subsequently returned unpaid. Count each check only once (e.g. do not provide the number of item passes). Do not include checks for which your bank is not the paying bank (that is, checks that your bank is collecting for your respondent banks as an intermediary bank) or noncheck items, such as deposit slips, general ledger tickets, etc. Do not include checks converted to ACH payments (for example, ARC payments).

	Dollar amount (\$)	Number of checks
Total checks presented to your bank as paying bank	\$ _____ Est. <input type="checkbox"/>	_____ Est. <input type="checkbox"/>
(i) Total <u>paper</u> checks presented	\$ _____ Est. <input type="checkbox"/>	_____ Est. <input type="checkbox"/>
(A) Original checks	_____ Est. <input type="checkbox"/>	_____ Est. <input type="checkbox"/>
(B) Substitute checks	_____ Est. <input type="checkbox"/>	_____ Est. <input type="checkbox"/>
(ii) Total checks presented <u>electronically</u>	\$ _____ Est. <input type="checkbox"/>	_____ Est. <input type="checkbox"/>
<i>(Include items presented electronically for payment. Do not include items where delivery of paper checks is a condition of presentment. Report these items as paper presentments. Do not include checks converted to ACH payments, for example, ARC payments.)</i>		
(A) Image presentment	\$ _____ Est. <input type="checkbox"/>	_____ Est. <input type="checkbox"/>
(B) MICR line presentment	\$ _____ Est. <input type="checkbox"/>	_____ Est. <input type="checkbox"/>

3.2 Provide the dollar amount and number of all checks deposited at your bank as the **bank of first deposit** for the time period March 1, 2006, through March 31, 2006. Do not include checks converted to ACH payments, for example, ARC payments.

	Dollar amount (\$)	Number of checks
Total checks deposited at your bank		
as bank of first deposit	\$ _____ Est. <input type="checkbox"/>	_____ Est. <input type="checkbox"/>
<i>(Do not include checks converted to ACH payments, for example, ARC payments.)</i>		
(i) Next-day availability checks deposited	_____ Est. <input type="checkbox"/>	_____ Est. <input type="checkbox"/>
(ii) Local checks deposited	_____ Est. <input type="checkbox"/>	_____ Est. <input type="checkbox"/>
(iii) Nonlocal checks deposited	_____ Est. <input type="checkbox"/>	_____ Est. <input type="checkbox"/>

IV. Funds availability (Please note that this section will request information on your actual funds availability practices with respect to **consumer** accounts.)

Reporting estimated data

If possible, provide a precise response (the actual measured amount) to each of the following questions. If you are unable to give a precise response—for example, if your institution does not routinely maintain statistics in the same categories or in the same detail requested on the survey form—we encourage you to provide an estimate. Please check the estimate box (Est. ☐) if your response is an estimate.

Please leave no item blank. There are two possible ways to answer a survey question.

Enter a value if you can provide the actual value or an estimate of the data element for your institution (enter 0 if the value is zero). Please round all percentages to the nearest whole percent.

Enter DK (don't know) if you cannot provide the actual value or an estimate but your institution has non-zero volume of the type requested. Please do not enter NA.

4.1 For the time period March 1, 2006, through March 31, 2006, indicate your **actual funds availability practices** for check deposits to **consumer** accounts that do not qualify for exception holds under Regulation CC. Assume that the original deposit of the check at your bank occurs at Day 0.

	Percentage of the number of checks deposited in consumer accounts
(a) Next-day availability checks	
(i) Same business day (Day 0)	_____ % Est. <input type="checkbox"/>
(ii) Next business day (Day 1)	_____ % Est. <input type="checkbox"/>
	<u>100</u> %
(b) Local checks	
(i) Same business day (Day 0)	_____ % Est. <input type="checkbox"/>
(ii) Next business day (Day 1)	_____ % Est. <input type="checkbox"/>
(iii) Two business days (Day 2)	_____ % Est. <input type="checkbox"/>
	<u>100</u> %
(c) Nonlocal checks	
(i) Same business day (Day 0)	_____ % Est. <input type="checkbox"/>
(ii) Next business day (Day 1)	_____ % Est. <input type="checkbox"/>
(iii) Two business days (Day 2)	_____ % Est. <input type="checkbox"/>
(iv) Three business days (Day 3)	_____ % Est. <input type="checkbox"/>
(v) Four business days (Day 4)	_____ % Est. <input type="checkbox"/>
(vi) Five business days (Day 5)	_____ % Est. <input type="checkbox"/>
	<u>100</u> %

V. Return items

Reporting estimated data

If possible, provide a precise response (the actual measured amount) to each of the following questions. If you are unable to give a precise response—for example, if your institution does not routinely maintain statistics in the same categories or in the same detail requested on the survey form—we encourage you to provide an estimate. Please check the estimate box (Est. ☐) if your response is an estimate.

Please leave no item blank. There are two possible ways to answer a survey question.

Enter a value if you can provide the actual value or an estimate of the data element for your institution (enter 0 if the value is zero). Please round all percentages to the nearest whole percent.

Enter DK (don't know) if you cannot provide the actual value or an estimate but your institution has non-zero volume of the type requested. Please do not enter NA.

5.1 For the time period March 1, 2006, through March 31, 2006, specify the number of business days it takes for a returned check to make the round trip from being deposited in your institution to being returned to your institution unpaid. Please provide the distribution of the number of days it takes returned checks to make the round trip for each of the three types or returned checks (local, nonlocal, next-day availability). Assume that the original deposit of the check at your bank is Day 0.

Please indicate if percentages are estimates. Est. ☐

Percent of returned checks		Percent of returned checks	
<u>Next-Day Availability</u>		<u>Local</u>	
(a) One business day	_____ %	(a) One business day	_____ %
(b) Two business days	_____ %	(b) Two business days	_____ %
(c) Three business days	_____ %	(c) Three business days	_____ %
(d) Four business days	_____ %	(d) Four business days	_____ %
(e) Five business days	_____ %	(e) Five business days	_____ %
(f) Six business days	_____ %	(f) Six business days	_____ %
(g) Seven business days	_____ %	(g) Seven business days	_____ %
(h) Eight or more business days	_____ %	(h) Eight or more business days	_____ %
	<u>100 %</u>		<u>100 %</u>
Percent of returned checks			
<u>Nonlocal</u>			
(a) One business day	_____ %		
(b) Two business days	_____ %		
(c) Three business days	_____ %		
(d) Four business days	_____ %		
(e) Five business days	_____ %		
(f) Six business days	_____ %		
(g) Seven business days	_____ %		
(h) Eight or more business days	_____ %		
	<u>100 %</u>		